

EXTRAORDINARY GENERAL MEETING: 7 November 2019

Frequently Asked Questions

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| 1 | What is the difference between an Ordinary Share and a Preference Share? |
| | <p>Under the proposed Articles of Association for West Surrey the key differences are: -</p> <ul style="list-style-type: none">• Ordinary Shares carry a right to vote at General Meetings (where major decisions about the Company are made) and the Preference Shares carry no such voting rights.• Preference Shares carry a preference over Ordinary Shares in the event of a winding up of the Company. This means the Preference Shares would be paid back in full before any payment is made to the Ordinary shareholders in the event the Company went into administration or liquidation.• The Preference Shares carry a right to a 3% reduction in annual subscription. The Ordinary shares carry no rights to a fixed distribution. |
| 2 | Can the rights of the Preference Shares be changed to give them voting rights? |
| | <p>The rights of the Preference Shares will be enshrined in the Articles of Association if Resolution 2 is passed at the EGM. The rights of the Preference Shares can only be changed in future by a Special Resolution (requiring a 75% majority) passed at a future General Meeting of the Company.</p> |
| 3 | When does the increase in required holding of Ordinary Shares happen? |
| | <p>The proposal in Resolution 6 at the EGM is for the required holding of Ordinary Shares be increased to 500 Ordinary Shares for Full Golf Members and 50 for Full Tennis Members. If this resolution is passed at the EGM the increase will come into effect on 1 December 2019. Members will receive an invoice for their share increase soon after 7 November which will have a due date of 30 November 2019.</p> |
| 4 | Does Resolution 9 allow the Board to borrow £800,000 from the bank? |
| | <p>Resolution 9 permits the Board to borrow up to £800,000 in total from a combination of Loan Notes, Preference Shares and bank borrowing. The Resolution is worded to allow any combination of Loan Notes, Preference Shares and bank borrowing up to this sum because we don't know what the appetite for the Loan Notes and Preference Shares will be. In extremis it could allow the Company to borrow all the money from the bank if nobody takes up the Loan Notes or the Preference Shares but with the positive indications we received after the presentations in the summer that is we hope extremely unlikely and certainly not the Board's intention. The ideal scenario is that the whole £800k is taken up in Loan Notes and Preference Shares by a broad section of the membership. This is the cheapest and most flexible borrowing we can achieve. So the bank is included in the Resolution as West Surrey's version of the famous Backstop. We don't want to use it but it's there to fill any gap in funding that may arise from a shortfall in the Loan Notes and the Preference Shares. The best way to avoid it is for as many people as possible to take up the Loan Notes and the Preference Shares!</p> |



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| 5 | If I fill in a Proxy Form can I still vote at the EGM? |
| | The process for voting at the EGM for each resolution will in the first instance be a count of hands for and against, with each hand counting as one vote. Any shareholder present at the meeting (or a Proxy representing a shareholder) may vote by raising their hand, including those shareholders who have submitted a Proxy Form in advance of the meeting. Note that any Proxy present representing more than one shareholder only counts as one vote in a Hand vote. At the discretion of the chairman of the meeting, or if any three shareholders present at the meeting object to the result of the Hand vote, the resolution will move to a Poll. In a Poll all shareholders present who have not previously submitted a Proxy Form will be given a voting sheet to record their vote on the resolution. All voting sheets including previously submitted proxy votes will then be counted and the final result declared. In this Poll each share, rather than each shareholder, is counted. |
| 6 | As I intend to come to the EGM, should I still fill in a Proxy Form? |
| | Yes. Because in the event you are unable to attend for unforeseen reasons you can then be sure your vote will still be counted (subject to the restrictions on a Hand vote described in Q5). As described in Q5 above you can still attend the meeting and vote in a Hand vote on the resolutions. |
| 7 | What are the implications of non-payment? |
| | Assuming the increase is voted through: If someone fails to pay the £30 to increase their shareholding to £50 then they will be in breach of the Club's regulations and will cease to be a member of the club. |
| 8 | Generally, how will the rights and liabilities of tennis members be affected? |
| | Rights and liabilities of the tennis members will remain unchanged. |
| 9 | Is the full amount £50 refundable should I leave the club? |
| | Yes. The shares are returned to West Surrey Golf Club Company and the amount will be refunded. |

